

RESIDENTIAL SALES TURNOVER CLIMB IN GREATER BRISBANE

Despite capital values recording only modest growth over the year, residential sales turnover continues to climb in Greater Brisbane. This suggests there is potential for sustainable capital growth over the coming year as investors seek more affordable options on the east coast with a tighter lending environment across the country.

Key facts September 2015

Capital growth for houses in the last month was up 1.5% (up 3.0% YoY); while apartments were down 0.3% (up 1.2% YoY)

Sales volume was up 5.7% for houses and up 13.1% for apartments YoY to July

Annual **rental growth** for houses was recorded at 1.1% while apartments fell 1.3% over the year to July

Gross **rental yields** currently average 4.85% for houses and 5.32% for apartments

- The cash rate remained stable at 2.00% in September after falling 25 basis points in May, to an all-time historic low.
- Greater Brisbane experienced 1.7% population growth between June 2013 and June 2014, led by the Pimpama SA2 (16.7%), with the largest increase in the number of people being in North Lakes-Mango Hill (2,248 persons).
- Population growth is set to continue for Greater Brisbane, with an annual rate of 1.2% projected out to 2021.
- Unemployment as at August 2015 stood at 5.4% for Greater Brisbane (SA4), trending below the 6.2% recorded in August 2014.
- Building approvals in the three months to July totalled 2,858 houses and 4,902 apartments approved in Greater Brisbane. This is trending 7.0% higher for houses and up 75.5% for apartment approvals compared to the same period in 2014.
- Sales transacted in the year to July tallied 39,732 houses (up 5.7% on previous year) and 19,456 apartments (up 13.1% on prior year).
- House values rose 1.5% in the month of July (although growth of 3.0% over the last year) to a median of \$487,500 while apartment values fell by 0.3% over the month (with modest growth of 1.2% over the year) to record a median of \$373,500.
- Over the year to July, rental growth was recorded at 1.1% for houses and fell 1.3% for apartments. Weekly median rents are currently achieving \$450 for houses and \$380 for apartments.
- Total vacancy was last recorded at 2.4% in June 2015 for Greater Brisbane; with 3.0% for the inner ring (0-5km), 2.4% for the middle-outer ring (5-20km) and 2.1% for the surrounds.
- In July 2015, gross rental yields across Greater Brisbane compressed 5bps (to 4.85%) for houses and 10bps (to 5.32%) for apartments compared to the previous year.

FIGURE 1
Greater Brisbane Capital Growth
12-month rolling

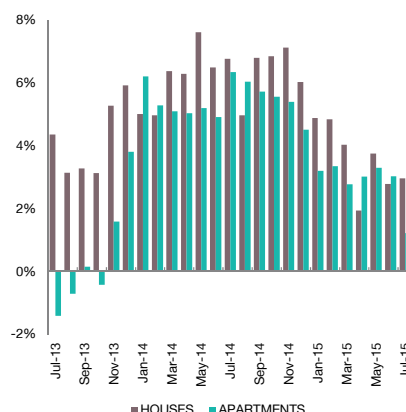
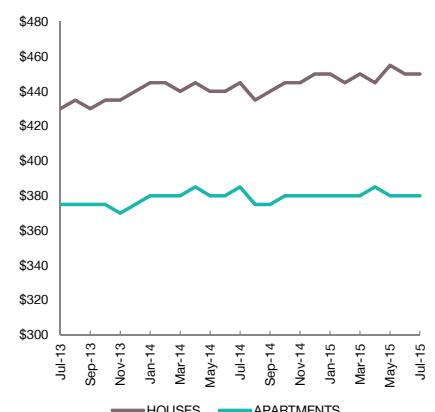


FIGURE 2
Greater Brisbane Rents
Median, weekly



Source: Knight Frank Research, Residex, Brisbane City Council, RBA, ABS, REIQ



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Knight Frank House Price Index, Greater Brisbane Mainstream

	KF House Price Index January 2000=100	12-month % change	6-month % change	3-month % change	Monthly % change
Jul-14	308	6.8%	2.6%	1.8%	1.3%
Aug-14	303	5.0%	2.4%	-0.3%	-1.7%
Sep-14	307	6.8%	2.7%	0.9%	1.3%
Oct-14	310	6.8%	2.4%	0.5%	1.0%
Nov-14	314	7.1%	3.1%	3.4%	1.2%
Dec-14	315	6.0%	3.5%	2.7%	0.5%
Jan-15	315	4.9%	2.2%	1.7%	0.0%
Feb-15	310	4.8%	2.4%	-1.0%	-1.5%
Mar-15	311	4.0%	1.3%	-1.3%	0.2%
Apr-15	309	1.9%	-0.4%	-2.1%	-0.7%
May-15	316	3.7%	0.6%	1.7%	2.2%
Jun-15	313	2.8%	-0.7%	0.6%	-0.8%
Jul-15	318	3.0%	0.7%	2.8%	1.5%

Source: Knight Frank Research, Residex

Knight Frank Apartment Price Index, Greater Brisbane Mainstream

	KF Apartment Price Index January 2000=100	12-month % change	6-month % change	3-month % change	Monthly % change
Jul-14	277	6.3%	2.6%	1.0%	1.5%
Aug-14	277	6.0%	2.8%	1.2%	0.0%
Sep-14	278	5.7%	2.5%	1.8%	0.3%
Oct-14	279	5.6%	1.4%	0.4%	0.1%
Nov-14	279	5.4%	1.9%	0.7%	0.3%
Dec-14	279	4.5%	2.1%	0.3%	-0.1%
Jan-15	279	3.2%	0.5%	0.1%	0.0%
Feb-15	279	3.3%	0.5%	-0.1%	0.0%
Mar-15	279	2.8%	0.3%	0.0%	0.0%
Apr-15	283	3.0%	1.6%	1.5%	1.5%
May-15	283	3.3%	1.3%	1.5%	0.0%
Jun-15	282	3.0%	0.9%	0.9%	-0.5%
Jul-15	281	1.2%	0.7%	-0.8%	-0.3%

Source: Knight Frank Research, Residex

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